

## Message Text

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ACTION EB-08

INFO OCT-01 ARA-10 EUR-12 ISO-00 AGRE-00 COME-00 TRSE-00

CIAE-00 DODE-00 INR-07 NSAE-00 PA-02 USIA-15 PRS-01

SP-02 FRB-01 STR-04 /063 W

-----081554Z 073088 /42

R 081230Z MAR 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC 0407

INFO AMEMBASSY LONDON

AMEMBASSY BOGOTA

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 1776

PASS RMCCONNELL FAS/USDA

E.O. 11652: N/A

TAGS: EAGR EPAP BR

SUBJECT: COFFEE PRODUCTION QUOTAS

1. THE FOLLOWING IS A TRANSLATION OF AN ARTICLE THAT  
APPEARED IN THE MARCH 4 ISSUE OF THE "O ESTADO DE  
SAO PAULO", BRAZIL'S LEADING NEWSPAPER.

2. BEGIN TRANSLATION.

THE EX-PRESIDENT OF THE IBC, JAIME ROGUEIRA  
MIRANDA, YESTERDAY CALLED FOR THE CREATION, "WITH URGENCY", OF  
A WORK TEAM WITHIN IBC TO STUDY THE REESTABLISHMENT OF  
COFFEE PRODUCTION QUOTAS IN BRAZIL. MIRANDA, WHO CURRENTLY  
IS PRESIDENT OF THE FARM ASSOCIATION OF GARCA IN THE STATE OF  
SAO PAULO (LARGEST COFFEE PRODUCING "MUNICIPIO" IN THE STATE),  
POINTED OUT THAT IT IS ALSO INDISPENSABLE THAT THE COFFEE TREE  
REPLANTING PLAN BE IMMEDIATELY SUSPENDED IN ORDER TO AVOID  
OVER PRODUCTION OVER THE MEDIUM TERM, "WITH NEGATIVE EFFECTS  
ON PRICES."

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3. ACCORDING TO MIRANDA, THE COFFEE PICTURE HAS CHANGED  
A LOT IN RECENT YEARS, MAINLY DUE TO THE NEW HIGH COFFEE  
PRICES WHICH HAVE ALREADY REACHED CR\$4,000 PER BAG. SUCH  
A HIGH PRICE, HE OBSERVED, TRIGGERED PRODUCERS TO PLANT TREES  
THUS MAKING NECESSARY THE INTERVENTION OF THE GOVERNMENT TO  
CONTROL PRODUCTION TO KEEP COFFEE PRICES FROM FALLING IN THE

FUTURE.

4. ALTHOUGH THE QUOTA SYSTEM HAS ALREADY BEEN TRIED WITHOUT SUCCESS AT TIMES OF PRODUCTION SURPLUS, JAIME MIRANDA BELIEVES THAT ITS ESTABLISHMENT TODAY WOULD BE SUCCESSFUL PROVIDED THAT THE GOVERNMENT FIXES PRODUCTION QUOTAS BASED UPON ESTIMATES OF EXPANSION OF BOTH THE DOMESTIC AND THE INTERNATIONAL MARKET.

5. HE IS EXPECTED TO SEND THIS THESIS TO THE GOVERNMENT AND ALSO TO ASK FOR THE FORMATION OF A WORK TEAM TO STUDY THE MATTER. END TRANSLATION.

6. CURRENT RATE CR\$12.8 - US\$1.00.  
CRIMMINS

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
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**Concepts:** COFFEE, PRODUCTION TRENDS, PRESS RELEASES  
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**Copy:** SINGLE  
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**Review Markings:**  
Margaret P. Grafeld  
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EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009